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Monday, March 24, 1986

Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections, Section 1.

O-t-c capsule terrorism escalates

Is product security realistic?

An Advertising Age roundup

Last week's tampering with three SmithKline Beckman Corp. over-the-counter capsule products confirmed the worst fears of package-goods marketers and retailers —that product terrorism was not limited to Johnson & Johnson's Tylenol.

The sabotaging of some packages of Philadelphia-based SmithKline's Contac, Teldrin allergy-relief medicine and Dietac appetite suppressants—followed by the company's decision March 21 to recall capsule forms of all three brands after traces of rat poison were discovered in two Contac capsules—differed notably from last month's Tylenol poisoning episode that left one person dead in New York. Since the SmithKline episode appeared to have been inspired by the Tylenol case, fears that a "copy cat" epidemic could occur haunted marketers as never before.

Analysts said public reaction will play a large part in determining the future of over-the-counter capsule sales.

Oleh Denysyk, a drug analyst with Charles H. Kline & Co., Fairfield, N.J., said, "I think it's the end of capsules without any seals on them.

"It'll definitely help the caplet dosage form," Mr. Denysyk said. "The major manufacturers will change some of their product formulations. There are some companies that have to be concerned." A time-release product such as Contac, however, can only be made in capsule form.

Other than SmithKline, the companies that rely most on capsules are Thompson Medical Co., New York, and Chattem Inc., Chattanooga, Tenn., although most major analgesics and some cold remedies also are available in capsule form as well as tablets. More than 70% of Thompson's sales come from diet capsules that are not now sold as tablets. Officials from Thompson and Chattem could not be reached for comment.

Product terrorism took two new turns last week. First, the purported tampering was a calculated

(Continued on Page 122)

Herb helped BK visibility, but little else

By BRIAN MORAN

Burger King Corp.'s $40 million Herb campaign failed to build sales, win significant numbers of new customers or clearly position the No. 2 hamburger chain's image, according to BK president Jay Darling.

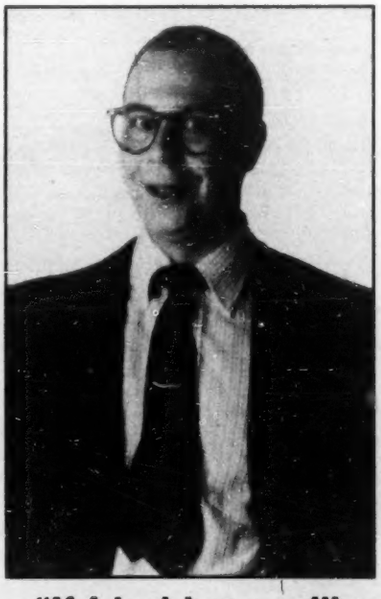
But Mr. Darling and BK agency J. Walter Thompson USA say the four-month campaign succeeded in one goal—increasing Burger King's visibility.

In an interview following the March 13 windup of the campaign, Mr. Darling confirmed sales in January rose a scant 1% compared with January, 1985. Originally, BK executives hoped Herb would boost January sales by up to 10%.

Mr. Darling declined to quantify February sales during the height of the $1-million "Search for Herb" sweepstakes created by JWT, except to say they were "disappointing." But Wall Street analysts estimate sales were flat or up perhaps 1% at most.

Miami-based BK isn't alone in encountering tough going in the fast-food market. According to Prudential-Bache Securities estimates, average per-store sales for Dublin, O.-based Wendy's International, the No. 3 chain, were down 10.5% (year-to-year) in December, off 9% for the fourth quarter as a whole and

(Continued on Page 120)



"If I had been selling 'Herbs,' I'd probably be a multimillionaire right now."

—Jay Darling, president, Burger King

Network sitcoms make comeback in fall schedules

By JAMES P. FORKAN and VERNE GAY

Comedy is back as king.

The situation comedy, a format declared passe only two years ago, before "The Cosby Show" started racking up 50-plus shares, will dominate the network airwaves next fall, especially on NBC and CBS.

All three networks last week hosted advertising and agency executives in Los Angeles to screen clips or hear descriptions of the 80 pilots now in production for fall, when the networks are expected to replace about 20 hours of prime time programing. ABC is expected to replace eight hours, CBS (which needs considerable help in its 8 p.m. [ET] time slot) should replace seven hours and NBC will change between four and six hours.

The networks' rekindled love affair with the sitcom has significant ramifications for many advertisers, especially marketers targeting a male audience. Sitcoms traditionally score much better with women and children than with men. In recent seasons, action dramas such as "Miami Vice" and "Hill Street Blues" have succeeded in luring the male viewer into prime time in record numbers.

The trend was so strong that several traditional sports advertisers started shifting budgets away from sports and into prime time, a daypart that was emerging as a more cost-efficient way to advertise to men. Those advertisers, which include big-spending categories such as beer, automotive, financial services, computers and even fast-food restaurants, once again could find sports to be a better buy.

That should be welcome news to the networks, which have been suffering under an exceptionally soft sports market, but it could restrict the media options open to male-

(Continued on Page 118)

Last Minute News

Y&R wins $30M Ford of Germany account

COLOGNE—Ford of Germany has shifted its $30 million account to Young & Rubicam from J. Walter Thompson Co. Y&R also gets $10 million in direct-marketing and sales-promotion business *(see story on Page 8)*.

Ricoh looks at agencies for $11M in advertising

WEST CALDWELL, N.J.—Ricoh Corp. is seeking a new agency, sources say, since Cunningham & Walsh, New York, resigned its $11 million copier account. C&W quit to take on an estimated $10 million to $15 million in typewriter and copier business from Panasonic (AA, March 17).

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A-B agencies wary; Chi shops eye Heileman

Riney brews agency beer blast

By SCOTT HUME

Hal Riney & Partners' abrupt resignation last week of $20 million in G. Heileman Brewing Co. business had Anheuser-Busch agencies looking over their shoulders and Chicago agencies lining up for the loose business.

The A-B shops got nervous after Heileman director of brand management Jim Legat said Riney had departed "to take on various unnamed Anheuser-Busch brands."

Don Ashley, senior vp-general manager at Riney & Partners' San Francisco home office, preferred to ascribe the split to "philosophical differences" (a reason echoed by Mr. Legat).

Although confirming that the agency "is exploring a relationship with another brewery," Mr. Ashley would not confirm A-B as its "intended."

The initial response from spokesmen at St. Louis-based A-B was "Heileman said what?" They had no further comment.

The No. 1 brewer's current agency stable includes D'Arcy Masius Benton & Bowles, St. Louis (corporate, Budweiser, LA, Natural Light); Needham Harper Worldwide, Chicago (Bud Light, Busch, Michelob Classic Dark, Michelob Light); Ted Bates Advertising/New York (Michelob); Bloom Agency, Dallas (Baybry's cooler, Saratoga and Sante mineral waters); TBWA, St. Louis (Eagle snacks, Carlsberg import); JP Martin Associates, New York (King Cobra malt liquor), and Adamson Advertising, St. Louis (Master Cellars wine).

The question is: Who would lose what at A-B to make room for Riney?

The only major brand officially in limbo is Michelob,

(Continued on Page 118)

HIGHLIGHTS

Herb helped a little, BK says 1
Burger King Corp.'s $40 million Herb campaign failed to build sales, win significant numbers of new customers or clearly position the No. 2 hamburger chain's image, according to BK president Jay Darling. But Mr. Darling and BK agency J. Walter Thompson USA say the four-month campaign increased Burger King's visibility.

King Comedy returns 1
The situation comedy, a format declared passe only two years ago, before "The Cosby Show" started racking up 50-plus shares, will dominate the network airwaves next fall, especially on NBC and CBS.

Camera makers face off 3
Eastman Kodak fires the first salvo today in a rapidly developing camera war with the opening tv spots for its new VR-35 cameras. But Kodak's $25 million campaign will be overshadowed by arch-rival Polaroid Corp. when it breaks a $40 million effort April 2 for its highly touted new Spectra system.

A lip-smackin' market 3
Attracted by the recent successes of DoveBars and Carnation Co.'s BonBons, marketers of frozen novelty foods are about to dispatch a new wave of products aimed at adult tastes and budgets.

Videotex reception fuzzes 4
A few years ago, information experts championed videotex as a wondrous new marketing vehicle that would charge headlong into more than 1 million U.S. homes and businesses by the mid-'80s. It hasn't happened—yet.

A knock against knockoffs 6
Cosmair Inc., charging trademark infringement and unfair competition, has won a court order blocking S.C. Johnson & Son from shipping a new line of shampoos and conditioners using Cosmair's Vanderbilt fragrance name on the packaging.

No holiday from hotel battle 12
Holiday Inns, fighting an industrywide oversupply of hotel rooms, has resorted to discounting programs rivaling those offered by major airlines while hoping to avoid airline-style price wars.

Borden adds more calcium 28
Borden Dairy Group, Houston, has begun a test campaign to promote what it claims is the "first calcium-fortified milk in the U.S." It marks Borden's return to tv after an 8-year absence.

CATEGORY REVIEW

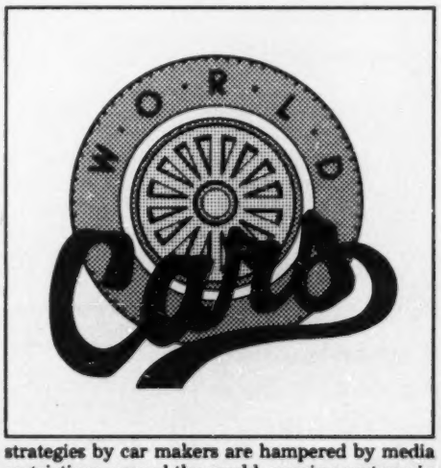
Faucet sales gush 34
After years of slow sales, the $900 million plumbing faucet market is in a flood. Faucet sales topped 25 million units last year, up 4% from 1984, according to industry sources, and are heading for a 20% increase to 30 million this year.

FEATURES

Picking your spots 48
It was a year that produced some top-notch tv commercials, but excellence in 1985 was a matter of execution rather than innovation. That was the conclusion of a panel of editors that looked at a record 1,600 commercials and selected Advertising Age's Best Tv Commercials of 1985.

WORLD CARS

Auto marketing worldwide 80
An overview of global automobile marketing presents case studies from Australia, Brazil, Canada and China and a portfolio of international auto ads, critiqued by John O'Toole, former chairman and ceo of Foote, Cone & Belding. Global strategies by car makers are hampered by media restrictions around the world, varying customs in naming cars and the fact that car buyers express their personalities in their purchases. Marketers face an array of sales methods, and must satisfy people who buy cars for many reasons, and those reasons vary from country to country.



OTHER NEWS

Cosmetic color strips, the cosmetics industry's answer to the fragrance industry's scent strips, may be barred from magazine subscription copies due to a U.S. Postal Service rate ruling. Page 6.

Hilton Hotels is opening "America's business address" to the over-65 set. Trying to fight the trend of diminishing occupancy in the overbuilt hotel industry, Hilton is offering older, frequent travelers a special discount package. Page 12.

Chattem has left the fragrance business by selling Love's Baby Soft and Love's Musky Jasmin teen fragrances to MEM Co. With the proceeds, Chattanooga, Tenn.-based Chattem acquired three toiletry products—Ultra-Swim, Algemarin and Nullo—from separate manufacturers. Page 24.

Nike is taking a punch at Reebok's dominance in aerobic and casual athletic shoes with a low-price line tentatively named Street Socks. Page 28.

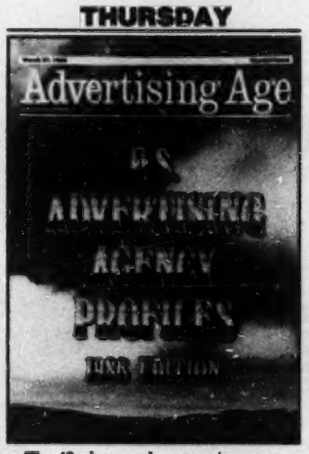
Panosh Place, still a relatively small toy marketer, intends to move closer to the big time this year with some magical help from Doug Henning and the WonderWhims doll line. Page 38.

BREAKING CAMPAIGNS

McDonald's Corp. this week launches a tv, radio and print campaign for its breakfast menu (AA, Feb. 24). Themed "Portable breakfast," ads stress the "hand-held convenience" of McDonald's breakfast sandwiches. Leo Burnett USA and Burrell Advertising, both Chicago, handle.

General Mills today begins its $24 million ad support for Rocky Road, a children's presweetened cereal. Network tv, radio and couponing, mostly aimed at school-age children, support General Mills' second new cereal this year. Campbell-Mithun, Minneapolis, handles (AA, Feb. 3).

COMING THURSDAY



The 42nd annual agency income issue will be published March 27, including, for the first time, the Ad Age 500 leading agencies and a review of the top 500 agencies in each of the past 10 years.

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Grey locks up to block buyouts

By STEWART ALTER

New York—Grey Advertising has become the second publicly owned ad agency in a month to strengthen itself against takeover attempts.

Grey stockholders were summoned to a special meeting March 21 in Minneapolis to establish a new class of voting shares, making any takeover more difficult.

Foote, Cone & Belding Communications earlier took anti-takeover steps by distributing a preferred-stock purchase right on each outstanding share of the company's common stock (AA, March 10).

The moves reflect a major change in agency attitudes about unfriendly takeovers.

Conventional wisdom, as re-

(Continued on Page 122)

B&W sees a cigaret ad plunge

By WILLIAM F. GLOEDE

New York—The importance of tobacco ad spending, which now runs about $881 million annually, could be effectively cut in half by 1990 as promotional spending increases, according to the president of the nation's third-largest smoke marketer.

"The days of national brand marketing may be coming rapidly to a close," said Thomas Sandefur, president of Brown & Williamson Tobacco Co., Louisville.

"In today's environment, your advertising or marketing dollars have to be far more focused, far more targeted," Mr. Sandefur told a briefing for the trade press.

He predicted that the ratio

(Continued on Page 118)

West Coast news

Chrysler ads lash auto foes

Chrysler Corp. will start a $10 million comparative magazine and outdoor ad campaign in California March 31 in which it blasts competitors by name. In a four-page insert, the Detroit auto maker will urge readers to "Drop Mazda RX7 and Nissan 300ZX. They didn't hold the road like Chrysler Laser XT." Subsequent pages will make similar recommendations relating to BMW, Mercedes-Benz, Chevrolet and Ford for other Chrysler domestic models. Chrysler also will

(Continued on Page 122)

Copyright ©1986 DC Comics Inc. Used with permission.

New 'Angel Love' gives comic book twist to real-life situations

Her boyfriend abuses cocaine. Her best friend has an unplanned pregnancy. Her mother is dying of cancer, and only her long-lost sister can help her.

A new afternoon soap opera? Your next-door neighbor's best kept secrets?

No, it's "Angel Love," a new comic by Barbara Slate, the New York-based creator of the feminist comic strip "Ms. Liz," which has appeared in animated form on NBC-TV's "Today."

"Angel Love," Slate's first full-length comic book, is the story of an aspiring New York artist who works three days a week as a waitress in the Balloon, a trendy restaurant. Angel lives with Wendy, a spoiled, naive woman from a wealthy Long Island family. Angel's closest friends are Everett, a black musician, and Cindy, another waitress at the restaurant.

Life isn't easy for Angel, but she's strong, stubborn and funny, and even her disastrous dating life doesn't stop her from falling in love on a rather regular basis.

Despite its adult situations, Slate says the comic is written for young people, 11 to 18 years old. It's the "after-Archie crowd," she says. "I write to 11-year-olds the way I would write to adults. Anything else would be talking down to them. These problems are part of real life."

Slate also came to New York as an aspiring artist almost 20 years ago and did her share of struggling, but "Angel Love" is not autobiographical. If anything, it is a case of life imitating art rather than vice versa.

"Gosh, I hope it isn't autobiographical. Angel has her share of problems," Slate says. "Actually, I imitate the way she dresses—as much as I can get away with, considering the age difference."

DC Comics, New York, begins monthly publication of the eight-issue "Angel Love" series at the end of April.

Len Strazewski

Videocassettes woo teens away from theaters

Throw in a tape, pass the popcorn and curl up on the couch: The living room is fast becoming the teen hot spot for that Saturday night date at the movies.

According to a recent study by Market Facts, Chicago, 40% of feature film viewing is done with videocassette recorders, mostly by the 10-to-19-year-old segment that was, until recently, movie theaters' biggest draw.

"There must be a rapid increase in vcr dates among America's teen agers," says Mike Freehill, vp, Market Facts. "Faced with the rising costs of attending a theater movie, teens are renting movies, gathering with friends and saving their money. This represents a dramatic social change for teen agers and will have an even bigger impact on the industry once these youngsters reach their 20s."

The study reports movie theater attendance in the U.S. has peaked and predicts box office receipts will continue to decline. Receipts could be down 20% by 1988 unless Hollywood releases a significant number of blockbuster films and finds an innovative movie theater marketing approach.

"If the teens are gone, the movie industry will need to produce pictures attractive to the neglected markets, such as the 50-year and over age group," Freehill says.

One area that hasn't been hurt by the vcr is the pay-tv market. Subscribers are using vcrs to record pay-tv movies for later viewing.

In April, the Movie Channel pay-tv subscriber service will launch "VCR Theatre" aimed directly at vcr owners. Every day at 3 a.m. the service will repeat its best film of the day for taping. The movies will be changed weekly instead of monthly so films will not repeat as often.

To make matters worse for movie theaters, it's inevitable that theatrical releases in the future will hit the theaters at the same time their vcr versions will hit the stores, Freehill says.

It may be time for a remake of "The Last Picture Show."

Christopher Colletti

Box office busts, video blockbusters

Film title, dist.	Est. box office earnings (millions)	Cassettes dist.	Est. cassettes sold (r)	Est. cassettes sales
Certain Fury, New World	$3.0	New World	over 150,000	over $12,000,000
Fraternity Vacation, New World	$5.0	New World	over 150,000	over $12,000,000
The Mean Season, Orion	$4.0*	Thorn	over 100,000	over $8,000,000
Stick, Universal	$4.0*	MCA	over 100,000	over $8,000,000
Into the Night, Universal	$5.0*	MCA	over 100,000	over $8,000,000
Ghoulies, Empire	$5.0*	Vestron	over 100,000	over $8,000,000
Coca-Cola Kid, Film Gallery	$2.0*	Vestron	over 75,000	over $6,000,000
The Company of Wolves, Cannon	$3.0*	Vestron	over 75,000	over $6,000,000
Gotcha!, Universal	$5.0*	MCA	over 75,000	over $6,000,000
Blood Simple, Circle	$3.0*	MCA	over 50,000	over $4,000,000

Unless listed manufacturer suggested list price for videocassette is $79.95.
* Figure includes *Variety* sample numbers plus estimated second run figures.
(r) Figure includes Recording Industry Assn. of America (RIAA) certification.

Source: *Variety*, *Billboard* and film distributors

Luxurious look fits, feels like your own skin

"I grew up in a world of affluence," says Jeffie Pike. "I saw people who were able to buy a dress that cost $1,000 and was covered with little seed pearls and designed by Dior that they'd never wear again—and this is my answer to that."

Pike's "answer" is J'Attoos, skin decals designed to look like sumptuous jewelry. A sixth-generation Californian with a string of fashion connections as long (and showy) as the rub-on necklaces she's designed, Pike insists, "Throwaway glamor on the budget of a schoolgirl is the most luxurious feeling in the world!"

To apply the decal, one selects the desired bauble from a small sheet and places it on the neck, ankle, wrist or face. A dab from a wet sponge transfers it to the skin where it glitters in gold and turquoise squares, or scatters in a daisy petal design, or rocks as '60s yellow, red and black love beads. J'Attoos come in 18 designs, so far. They can be removed with the aid of baby oil or cellophane tape.

Jewelry designers and makeup artists create the J'Attoo patterns, and it is somewhere between jewelry and makeup that J'Attoos must be defined. Bloomingdale's, for instance, is introducing the line in its cosmetics department. But, says Pike, of Los Angeles, "I think they're jewelry." Macy's, Bullock's, Jordan Marsh and other upscale department stores also will be carrying them, she says.

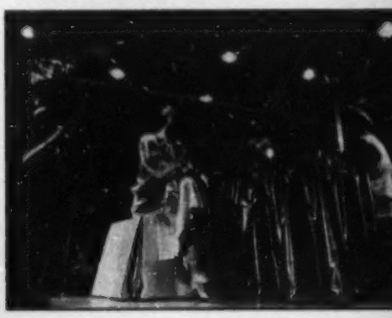
Each packet costs $3.50, with more elaborate designs, such as reproductions of actual crown jewels, planned for $5 packets later. No ads are planned because, says Pike, "I don't think that fads get started by advertising."

Lenore Skenazy

Interior designers create showcases for apparel

Fashion thought for the day: Your "where" may exert influence on your "wear"—and vice versa.

Today, individual style doesn't necessarily begin and end with "ready-to-wear fashion and jewelry. What you wear can give an indication of what's in your environment," says Sandy Kagan, l. Magnin's Midwest fashion director in Chicago. The fashion retailer is giving expression to this idea in "Lifestyles: A salute to Chicago Is" in its Michigan Ave. store.



Vignette by Marilyn Rose; fashion by Mark Heister. It depicts one woman's fashion attitudes and sense of self.

Located on various floors in the store are "environmental life-style vignettes" designed by 10 of Chicago's top interior designers, all members of the American Society of Interior Designers. The small but striking spaces showcase new looks in apparel and jewelry from the city's fashion designers. The monthlong event ties in with the annual "Chicago Is" fashion show held last week at the Apparel Mart.

The wedding of interior and fashion design was conceived by Marilyn Rose, president of Rose Interiors Ltd., Lincolnwood, Ill., who also created the vignette atop l. Magnin's first-floor jewlery display case. The art deco set features two vanities. Peering into the double mirror are two mannequins in gowns by Mark Heister.

The vignettes' moods range from the fashion-forward and contemporary to the elegant and romantic: A delicately etched acrylic screen by Lori Lennon forms a backdrop for a Becky Bisoulis bridal gown. Ethel Samuels' Oriental setting, highlighted by a wood and metal Empress chair, provides the exotic touch for a Kanae dress.

"This concept in visual merchandising operates on several levels," Rose says. "It showcases the city's talent and shows the public the growing relationship between interior design and fashion. And people can see what can be done in small spaces.

"Today, you have high-tech clothes, clothes with lines reflected in architecture, furnishings," Rose says. "Look at gold and silver accessories, for example, and high-gloss, lacquered furniture so popular today. One sets off the other."

Rose approached Kagan in December

Links with general shops boost DM agency billings

By PAUL L. EDWARDS

NEW YORK—Direct-marketing agencies continued to benefit from their general-agency affiliations last year, according to the annual survey of billings released by the Direct Marketing Assn.'s research department.

With only one exception—Direct Inc., the direct-marketing subsidiary of D'Arcy Masius Benton & Bowles—affiliated direct agencies continued to post strong results.

Wunderman, Ricotta & Kline, a Young & Rubicam subsidiary, continues to lead the pack, but not by much. Ogilvy & Mather Direct closed to within less than $3 million of taking the lead.

Of the major agency direct-marketing subsidiaries, DFS Direct made the best gain, jumping 116.8% from 1984 to $25.8 million in 1985.

Two of the top ten in 1985 were independent, privately held agencies, one more than the previous year. Neither will have that distinction this year. While Barry Blau & Partners, Fairfield, Conn., remains independent of a general agency, it went public at the end of last year. And Kobs & Brady Advertising, Chicago, becomes a subsidiary of Ted Bates April 1.

When he announced his decision to join with Bates (AA, March 10), Mr. Kobs said one of the reasons was that direct-marketing agencies need to be affiliated with a general agency in order to sustain growth.

DMA continued this year to distinguish between agencies reporting fees and commission only and those reporting internal production revenues as well. Some of the latter include Direct Marketing Group, which counts revenue attributable to its print shop, and Direct Marketing Agency, Westport, Conn., which counts revenue from its computer facility.#

Specialty DM Agencies[1]

This list represents only those agencies that responded to a request made in 1986 for full year U.S. 1984 and 1985 billings. All figures were supplied by the individual agencies, which were asked to include capitalized media commissions, material and services fees and agency fees plus revenue derived from direct mail internal production activities where the agency provided the creative services. *Source: DMA Research Department.*

Rank/Agency	Billings ($ millions) 1985	1984	Per cent Change
1. The Direct Marketing Group	101.6	82.1	23.8
2. The Direct Marketing Agency	80.4	67.3	19.5
3. Krupp/Taylor	53.2	42.3	25.8
4. Direct Mail Corporation of America	39.8	20.0	99.0
5. Epsilon	35.8	33.9	5.6
6. Customer Development Corp.	35.4	—	—
7. Hub Mail Advertising	34.1	28.0	21.8
8. Computer Marketing Services	29.5	21.7	35.9
9. GSP Marketing Services	27.7	—	—
10. Marketing Communications	13.0	13.2	-1.5
11. Frank;James Direct marketing	9.8	8.2	19.5
12. Grizzard Advertising	9.3	8.1	14.8
13. Manus Services	8.6	10.0	-14.0
14. Walter Latham	7.0	3.1	125.8
15. Bruce W. Eberle & Assoc.	6.2	5.5	12.7
16. Webb & Co.	5.1	—	—
17. Communique	4.8	2.7	77.8
18. Creative Direct Marketing Group	1.2	—	—

[1]Agencies that report fees and commissions plus internal production revenue.

General DM Agencies[1]

This list represents only those agencies that responded to a request made in 1986 for full year U.S. 1984 and 1985 billings. All figures were supplied by the individual agencies, which were asked to include capitalized media commissions, material and services fees and agency fees plus revenue derived from direct mail internal production activities where the agency provided the creative services. *Source: DMA Research Department.*

Rank/Agency	Billings ($ millions) 1985	1984	Per cent Change
1. Wunderman, Ricotta & Kline	175.7	149.7	17.4
2. Ogilvy & Mather Direct	173.0	133.0	30.1
3. Stone & Adler[2]	96.0	72.0	33.3
4. Rapp & Collins Direct Response[3]	83.5	57.6	45.0
5. Grey Direct International	81.8	56.8	44.0
6. Kobs & Brady Advertising	70.3	52.0	35.2
7. FCB Direct[3]	60.6	47.7	27.0
8. Barry Blau & Partners	42.5	37.7	12.7
9. BBDO Direct	37.9	33.0	14.8
10. Marcoa Direct Advertising	36.1	35.1	2.8
11. McCaffrey & McCall Direct Marketing	35.0	25.0	40.0
12. Leber Katz Partners Direct Marketing	33.7	20.0	68.5
13. JWT Direct	30.6	21.6	41.7
14. Scali, McCabe, Sloves Direct	30.5	20.7	47.3
15. Flair Direct	28.7	18.0	59.4
16. Bozell, Jacobs, Kenyon & Eckhardt	26.5	20.1	31.8
17. DFS Direct	25.8	11.9	116.8
18. SSC&B:Vos Direct	25.5	24.5	4.1
19. Ayer Direct	25.0	21.4	16.8
20. The DR Group	24.4	22.2	9.9
21. Fairfax Advertising	24.2	23.0	5.2
22. McCann Direct	24.1	20.0	20.5
23. Karl Rove & Co.	21.3	17.6	21.0
24. Ketchum Direct	20.3	14.0	45.0
25. Lawrence Butner Advertising	20.1	15.2	32.2
26. Direct Inc.	20.0	32.0	-37.5
27. More Direct	17.5	16.0	9.4
28. Brown Direct	17.0	15.3	11.1
29. AC&R Direct	12.5	7.8	60.3
30. Grant/Jacoby	12.0	8.6	39.5
31. Clark Direct Marketing	11.8	—	—
32. KKB	10.5	9.5	10.5
33. MacDantz Direct	10.1	7.4	36.5
34. Bloom & Gelb	9.2	9.2	0.0
35. Taurus Marketing	9.0	8.0	12.5
36. Cramer-Krasselt/Direct	8.8	6.6	33.3
37. Evergreen Advertising & Marketing	8.4	4.9	71.4
38. WOL Direct[4]	7.6	7.6	0.0
39. Muldoon Direct	7.3	5.2	44.2
40. Nelson Panullo Jutkins Direct Mktg	7.1	4.2	69.0
41. The Townsend Agency	6.8	5.7	19.3
42. Response Communications	6.6	4.7	40.4
43. Kaye Advertising	6.3	6.1	3.3
44. Herring/Newman Direct Advertising	6.1	1.9	221.1
45. Hemmings, Birkholm & Grizzard	5.8	—	—
46. Peter Vane Advertising	5.7	4.9	16.3
47. Tracy-Locke Direct	5.3	3.1	71.0
48. J.W. Prendergast & Associates	5.2	5.2	0.0
49. Marketing Group	5.1	—	—
50. Hal Langerman	4.7	5.6	-16.1
51. JLA Direct	3.8	—	—
52. Lefton Direct	3.7	—	—
53. Martin A. Lave Marketing	3.6	2.1	71.4
54. Parsons & Kern Advertising	3.6	3.4	5.9
55. Ronald A. Bernstein & Assoc.	3.3	2.5	32.0
56. Lortz Direct Marketing	3.3	2.6	26.9
57. Jacobs & Clevenger	2.7	2.0	35.0
58. Egan Advertising	2.3	1.5	53.3
59. Gerald Patlis Advertising	2.1	2.9	-27.6
60. Carmichael-Lynch	2.1	0.5	320.0
61. Malmo Direct	2.0	—	—
62. Cargill, Wilson & Acree Direct	1.7	0.2	750.0
63. Russ Lapeo & Assoc.	1.5	0.1	1400.0
64. SawyerDirect	1.3	—	—
65. Henderson Direct	1.3	1.2	8.3
66. Central Advertising Agency	0.2	1.1	-81.8

[1]Agencies that report fees and commissions only.
[2]The 1984 figure represents Stone & Adler offices in New York City and Chicago, but does not include Chapman Direct's billings, which were reported at $41.5 million. The 1985 figure represents the Stone & Adler office in Chicago and Chapman Direct's billings in New York.
[3]Does not include internal production revenue.
[4]The 1984 figure includes internal production revenue but the 1985 figure does not.

Marketing by Mail

Junk the 'junk mail' stigma

By JOHN FRANCIS TIGHE

In my last column, the vice-chairman of Ogilvy & Mather International implied that people don't like junk mail.

Drayton Bird's exact words and intonations were: "People actually tend to be more affected by advertising they *like*." To which I riposted: "The public votes with its dollars."

My point was that as long as we can split-test print and direct-mail response with keyed coupons and reply cards, we don't need expensive research to tell us which advertising the public likes. I am waiting for this gleaming insight to be rediscovered with hosannas by corporate and agency yuppies.

Meanwhile, I am not opposed to research—in fact, I welcome it—except to tell me which ad will work best. This is not its proper function.

J. Tighe

Research has helped me enormously in business-to-business mail marketing. One of these columns, I will show you how to use it to create breakthroughs.

But getting back to this question of which advertising the public likes, what we are really talking about is which advertising the Big Bucks clients and their agencies like. Or more accurately, *dislike*. Particularly in direct mail.

The fact is, they don't like mail at all. It makes them nervous. They don't understand it. It's not "media," like tv. They're embarrassed by it. And they're even more embarrassed because people keep calling it junk mail.

This despite the Direct Marketing Assn.'s findings that " 'junk mail' is used [by the public] as a descriptive rather than critical term for mass mailings. . .often an affectionate term."

Recently, I was talking to Tom Collins, the co-founder of Rapp & Collins, about the abhorrence exhibited by most direct-marketing agencies for the "*Reader's Digest* school" of direct mail.

As an agency principal, Tom was sympathetic. But, as he pointed out, "They have not established that they can do a more successful sweepstakes promotion without all that gingerbread. . .*Reader's Digest* said 'Hey! What if we put a little red seal there—what'll that do? Oh look—that works!

" 'What if we use shadow lettering? What does that do? Oh, that works, too!'

"And because they never give up the old mailing until the new mailing has beaten it, much of the stuff that you see is the product of 30 years' evolution."

Don't get me wrong. I don't hate good design. I just love good results. I've said before that one of the most gifted and innovative graphic designers in direct marketing is Heikki Ratalahti, whose partner is copywriter Bill Jayme.

But Bill and Heikki specialize in a very specific type of mail. I'm not sure they could do a successful sweepstakes mailing. And they would tell you that they wouldn't be caught dead trying.

As Tom Collins remarked in our conversation (on which I'll report at greater length in a future column), "Different problems require different solutions."#

Copywriter/consultant Mr. Tighe is known in direct-marketing circles as one of the most successful free lancers. Based in New York, he serves clients throughout the U.S. and Canada.

Business shops get DMA group

COLORADO SPRINGS, COLO.—The Direct Marketing Assn. has created its fourth special-interest group, this one serving the needs of business-to-business direct marketers.

Business-to-Business Leaders was born at the DMA's spring conference here, the third such group created since Jonah Gitlitz took office as president. Catalog Leaders was formed three years ago. List Leaders and the Television Direct Response group were added last year.

Each group is intended to increase participation of senior-level executives in the association's ac-

(Continued on Page 101)

Bacal leaves own shop to join Bruno/Mease agency

PHILADELPHIA—Bruno/Mease has added Harvey Bacal as a partner and changed its name to Bruno Mease Bacal. Mr. Bacal comes in with 15 years' agency experience, most of it in direct marketing. Most recently, he founded and ran Harvey Bacal Direct Marketing.

This issue $3.00. $57 a year

March 27, 1986

Special Issue

Advertising Age

Crain's International Newspaper of Marketing

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Agency income surges 15.3%

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By R. CRAIG ENDICOTT

Worldwide gross income of U.S. agencies rose 15.3% to $8.17 billion in 1985 and billings climbed 15.9% to $55.8 billion for the ADVERTISING AGE 500 leading agencies. But even with such improvements, the year-to-year swing was down from growth recorded from 1983 to 1984 primarily because of a stagnation in agency activity in foreign markets.

Growth in non-U.S. gross income dropped from the 13.7% reached in 1984 over the prior year to 3.2% in 1985, rubbing out the 19.6% gain in U.S. gross income, the largest such gain in the past 10 years. The growth rate recorded in 1984 was a 17.1% increase in both worldwide gross income and billings over the prior year.

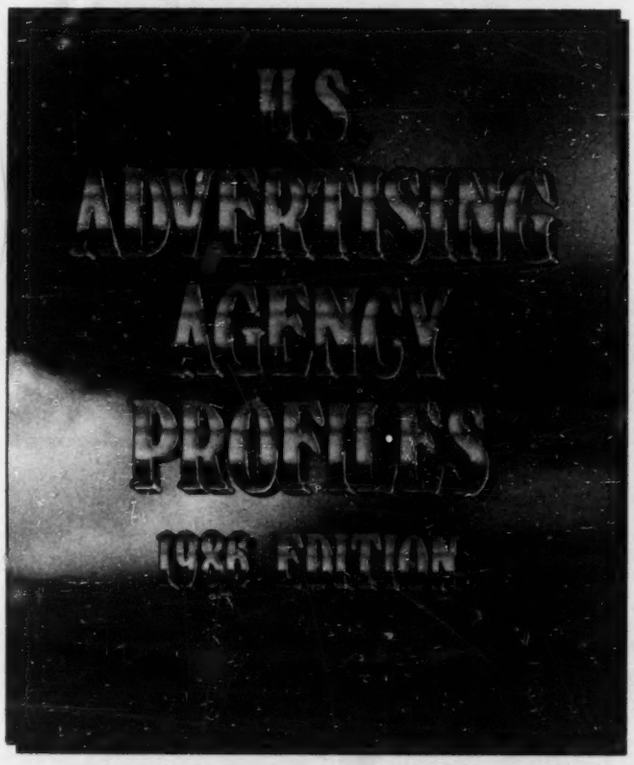
Again leading all agencies in world gross income in this 42nd annual Agency Income Report was Young & Rubicam with $536 million on billings of $3.58 billion, both 11.7% increases over 1984. However, Ogilvy Group's $481.1 million in world income passed Ted Bates Worldwide for the No. 2 spot in that category. Ogilvy had passed Bates in worldwide billings in 1984 and maintained that lead with its $3.32 billion contribution compared with $3.11 billion for Bates.

This issue is the first in which editors established an AD AGE 500 barometer. This 500 agency index accounted for 43.2% of the $95.84 billion in total U.S. advertising in 1985 as measured by Robert J. Coen, senior vp-director of forecasting at McCann-Erickson. The 500 also were responsible for an estimated 70% of all advertising placed advertiser by agencies, media buying houses and in-house buying units.

This year, 690 agencies' figures were accepted for publication. While profiles were published for each agency, only the figures for the top 500 were included in composites. Cutoff for the 500 in 1985 was $1.05 million in gross income, which is equivalent to about $7.8 million in billings.

Among the top 10 agencies, Saatchi & Saatchi Compton Worldwide continued to climb the charts, rising a notch to No. 4 in world billings and No. 5 in world income on the basis of a 31.8% increase in billings and 30.6% increase in gross income—growth credited to major acquisitions abroad.

Saatchi dropped two places from 1984 to No. 10 in U.S. gross income. One reason for the slip was the invasion of the top 10 charts by D'Arcy Masius Benton & Bowles on the basis of the mid-1985 merger between D'Arcy MacManus Masius and Benton & Bowles. Separately, the two agencies ranked 12th and 14th in 1984 in world gross income. But the DMB&B combine in 1985 ranked seventh among U.S. agencies in U.S. income and eighth in world income, world billings and non-U.S. billings.



The Ad Age 500 has grown from $11.9 billion to $41.4 billion in U.S advertising in 10 years and accounts for 70% of all U.S. media billings placed through a second party.

Hot shops

Growth in worldwide gross income at Griffin-Bacal exploded behind one of its clients, toy monolith Hasbro Inc., clocking in at 150.3% over 1984. This sent the New York-based agency from No. 119 in 1984 to No. 59 in worldwide gross income in 1985, firmly establishing the agency as the fastest growing shop in the country. However, there may be some erosion in that business in 1986 because Hasbro, has assigned Needham Harper Worldwide part of its account.

Within striking distance of Transformer-conscious Griffin-Bacal was Fallon McElligott Rice with a 148.1% increase in worldwide gross income, which elevated the Minneapolis shop from No. 165 in 1984 to No. 79.

Other sizable gainers in the top 10 performers in worldwide income on a year-to-year basis were Rumrill-Hoyt, New York, up 59.5%; Chiat/Day, Los Angeles, up 58.8%; Ammirati & Puris, New York, up 44.4%; Richards Group, Dallas, up 39.1%; Towne, Silverstein Rotter, New York, up 37.3%; DBG&H Unlimited, Dallas, up 35.8%; Kobs & Brady Advertising, Chicago, up 32.2%, and Saatchi, up 30.6%.

Such performances by Kobs & Brady and FMR did not go unnoticed. Meteoric growth at Kobs & Brady was not lost on Bates, its new parent as of March, 1986, a month after FMR was bought by Scali, McCabe, Sloves. Peripatetic clients and big bucks, however, have a tendency to reduce fast-track agencies one year to slow-boat takers the next. Growth leader in 1984—Lord, Geller, Federico, Einstein—suffered a drop of 10.4% in worldwide billings in 1985, which LGFE execs

(Continued on Page 2)

Top 10 agencies by world income

Rank '85	Rank '84	Agency	World income 1985	1984	% chng
1	1	Young & Rubicam	$536.0	$480.1	11.7
2	3	Ogilvy Group	481.1	421.0	14.3
3	2	Ted Bates Worldwide	466.0	424.4	9.8
4	4	J. Walter Thompson Co.*	450.9	414.4	8.8
5	6	Saatchi & Saatchi Compton Worldwide	440.9	337.5	30.6
6	5	BBDO International	377.0	340.0	10.9
7	7	McCann-Erickson Worldwide*	345.2	292.2	18.1
8	—	D'Arcy Masius Benton & Bowles	319.5	335.4	(4.7)
9	8	Foote, Cone & Belding Communications	284.2	268.5	5.8
10	9	Leo Burnett Co.	269.4	253.5	6.3

Top 10 agencies by world billings

Rank '85	Rank '84	Agency	World billings 1985	1984	% chng
1	1	Young & Rubicam	$3,575.3	$3,202.1	11.7
2	2	Ogilvy Group	3,318.7	2,887.9	14.9
3	3	Ted Bates Worldwide	3,106.9	2,829.2	9.8
4	5	Saatchi & Saatchi Compton Worldwide	3,033.1	2,301.7	31.8
5	4	J. Walter Thompson Co.*	3,009.2	2,765.3	8.8
6	6	BBDO International	2,516.0	2,275.0	10.6
7	7	McCann-Erickson Worldwide*	2,302.8	1,949.3	18.1
8	—	D'Arcy Masius Benton & Bowles	2,181.3	2,314.4	(5.8)
9	8	Foote, Cone & Belding Communications	1,901.0	1,802.3	5.5
10	9	Leo Burnett Co.	1,868.5	1,734.8	7.7

Top 10 agencies by U.S. income

Rank '85	Rank '84	Agency	U.S. income 1985	1984	% chng
1	1	Young & Rubicam	$340.6	$323.1	5.4
2	2	Ogilvy Group	307.2	270.5	13.6
3	3	Ted Bates Worldwide	287.5	263.2	9.2
4	4	BBDO International	274.0	235.0	16.6
5	5	J. Walter Thompson Co.*	251.2	216.9	15.8
6	6	Foote, Cone & Belding Communications	213.7	196.9	8.6
7	—	D'Arcy Masius Benton & Bowles	197.5	217.9	(9.4)
8	9	Grey Advertising	183.2	155.1	18.1
9	7	Leo Burnett Co.	179.7	163.2	10.1
10	8	Saatchi & Saatchi Compton Worldwide	169.7	157.4	7.8

NOTE: Dollars in millions *1984 figures are restated

Top 10 agencies by non-U.S. billings

Rank '85	Rank '84	Agency	Non-U.S. billings 1985	1984	% chng
1	3	Saatchi & Saatchi Compton Worldwide	$1,799.7	$1,208.4	48.9
2	1	McCann-Erickson Worldwide*	1,468.9	1,158.8	26.8
3	2	J. Walter Thompson Co.*	1,333.7	1,318.6	1.1
4	6	Young & Rubicam	1,303.3	1,047.0	24.5
5	5	Ogilvy Group	1,269.7	1,083.6	17.2
6	4	Ted Bates Worldwide	1,190.4	1,074.4	10.8
7	7	SSC&B:Lintas Worldwide	851.0	709.0	20.0
8	—	D'Arcy Masius Benton & Bowles	848.2	834.2	1.7
9	8	BBDO International	688.0	694.0	(0.9)
10	10	Leo Burnett Co.	598.6	601.9	(0.5)

NOTE: Dollars in millions *1984 figures are restated

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An FCB Chicago spot for Levi's 501 jeans is suggestive of music videos.

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Agency income surges 15.3%

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credit to "a natural course correct following explosive growth."

Ohlmeyer Advertising, fast becoming solely an in-house agency for R.J. Reynolds Industries, continued to lead all agencies in productivity with 0.52 people per $1 million in 1985 billings, improving on its 0.56 performance in 1984.

U.S. media growth

U.S. media billings rose 19.4% to $35.44 billion in 1985 among the 500. Total U.S. billings among the 500 actually came in at $41.37 billion. The $5.93 million difference is attributed to agencies that did not break out total advertising volume into the various media. The smaller media billings figure is used to arrive at percentages of its 14 contributing media components. Agencies in the Interpublic Group of Cos. and Saatchi were among those not providing media breakouts.

The $35.44 billion volume was paced by network tv's $9.96 billion, a 10.4% increase from the year earlier. Spot tv was a notch behind at $7.7 billion in total dollar volume, up 22.4%.

Very little network tv buying trickled down to agencies below the top 100, which accounted for 95.3% of the network tv spending. The top 100 agencies also bought 80.5% of spot tv, 86.6% of cable, and 80.1% of outdoor. They also accounted for 74.7% of all media purchased by the 500.

Among the top 10 agencies, which as a unit claimed more than half the network tv billings of the 500, three agencies spent less on network tv in 1985 than in 1984.

Ogilvy Group, the biggest network tv spender, and Young & Rubicam, the No. 2 tv spender, each spent 13% less in the medium than they did the previous year. These two agencies together accounted for 16% of the 500's network tv billings, down from 20% in 1984. The only other top 10 agency to register a decline in spending in the medium was DMB&B, whose network tv billings suffered an 8.7% erosion. Network tv spending in 1985 did not have the luxury of a summer Olympics or presidential election year as it did in 1984.

Y&R grabbed the top spot in spot tv, followed by Foote, Cone & Belding, which was the leading newspaper spender. Ogilvy came in at No. 6 in spot tv, spending less in that medium than it spent in magazines, a medium it led with a 33% increase in billings. Over-all, the 500 increased newspaper spending 14.8% to $3.45 billion and magazine spending 18.8% to $5.8 billion.

Direct response advertising had the largest increase among the media monitored—57.5% to $2.08 billion—figures representing a composite of Yellow Pages, direct mail, catalogs, direct response tv, radio, newspapers and magazines, telemarketing and free-standing inserts. Of the direct response total, direct mail took 53.2% and Yellow Pages 23.4% of the composite pie.

Cable tv, the newest of the media reported, showed the second biggest year-to-year increase in spending, up 56.4% to $414.8 million in 1985.

Point of sale, accounting for a relatively small $181.5 million among the 500 agencies, increased 34.8%. Outdoor had the smallest increase—4.9% to $894.8 million—among the 14 media monitored. *(See composite media chart on Page 94.)*

Mergers

The agency business replicated the buyout madness affecting U.S. industry as a whole in 1985, accelerating the rush toward dominance of the industry by a select few. The top 10 agencies, for example, account for 49% of the advertising bought by the Ad Age 500.

Lorimar Group, which purchased Bozell & Jacobs in 1985, merged it in January, 1986, with its Kenyon & Eckhardt unit bought in 1984. Together, they ranked 14th in world gross income.

Candidate for the Advertising Age Agency of the Year, No. 72 Levine, Huntley, Schmidt & Beaver, became part of Grey Advertising. In addition to its creative excellence, LHS&B had a prosperous year, rising from No. 85 in 1984. Ross Roy in Detroit bought No. 150 Griswold Inc. of Cleveland. Backer & Spielvogel got AdCom Inc., the one-time in-house agency for Quaker Oats Co. in Chicago. AdCom ranked 117th in worldwide gross income in 1984. HBM/Creamer purchased Albert Jay Rosenthal, Chicago.

Agency concentration continued in full force in early 1986. Already Sieber & McIntyre, the Chicago-based healthcare shop ranked No. 77, has been bought by No. 7 McCann of the Interpublic Group of Cos. Interpublic's Marschalk Co. has merged with Lowe Howard-Spinks in the U.K., and added some of the Campbell-Ewald worldwide offices to the new Lowe Marschalk network with estimated billings of $550 million.

Fallon McElligott Rice, No. 79, was purchased by No. 28 Scali, McCabe, Sloves, a subsidiary of No. 2 Ogilvy Group. Boston-based No. 75 Ingalls Associates was grabbed up by No. 6 BBDO International and merged with BBDO's Boston shop, Quinn & Johnson. Bates, No. 3, went on a buying binge this March, taking No. 93 Kobs & Brady, and is seeking to close a buyout deal with Conill Advertising, a leading New York Hispanic agency.

The biggest merger in 1986 so far has been the DFS Dorland Worldwide linkup in which Saatchi's U.K. subsidiary, Dorland Advertising, merged with Dancer Fitzgerald Sample, New York. The DFS Dorland network will account for billings of $1.5 billion.

Ad specialty shops

Specialty shops, especially Hispanic and direct marketing units, continued to attract attention of general agencies, whether mutations from within or by acquisition.

Hispanic advertising, estimated at $333.5 million in 1985 for a 17.2% increase from the previous year, has been gathering steam as advertisers get more solid numbers on the market. Bates' courtship of Conill Advertising is expected to reach the altar in early 1986. Davis, Johnson, Mogul & Colombatto's in Los Angeles formed Ad Latina from within and Kornhauser & Calene affiliated with Garrido Group.

Direct response agencies are flourishing, reflecting the growth in that ad medium. Direct mail advertising, the largest sector in direct response, was expected to increase 11% in 1985 to $15.3 billion, according to Mr. Coen at McCann. The big agencies are going after direct response business like vultures on a carcass. Kobs & Brady is the big buy, going to Bates in 1986. Doyle Dane Bernbach grabbed Direct Response Group, Dallas. Hicks & Greist has built up its direct marketing staff to 20 from half that a year ago; Al Paul Lefton says its 18-month-old direct response group is its fastest growth area along with pr; JWT formed J. Walter Thompson Direct in 1985, a composite of five direct response agencies. Ross Roy purchased direct response agency Lerner Scott Corp. in Chicago.

Other "specialty" brides were Sieber-McIntyre, bought by McCann, York/Alpern, Los Angeles, bought by DDB. No. 16 Needham Harper Worldwide bought Lane & Huff Advertising, a San Diego-based financial shop. N W Ayer, No. 18, entered the new year announcing to all its intention of expanding through specialty shop acquisition.

Non-U.S. influence

London proved the "in" place for U.S. agency activity in 1985. No. 46 Doremus moved into the English capital to service 11 U.S.-based clients and seek new business. No. 58 Direct Marketing Group formed D.M. Group Ltd., No. 55 Medicus Intercon purchased ADA Group, and No. 38 Hill Holliday, Connors, Cosmopulos merged with Aspect Ltd., London.

Saatchi's acquisition of Grandfield, Rork, Collins; Marschalk's merger with Lowe Howard-Spinks, and WRG/London's merger with Holmes, Knight, Ritchie to form HKR/WRG completes the invasion.

Over-all, the 500's activity in foreign markets was off, their non-U.S. gross income slipping from 26% of the worldwide total in 1984 to 23% in 1985. This flattening was attributed to a strong dollar and depressed economies in the Pacific basin, Latin America and select European markets.

Regional ad power

Regional concentration of advertising is not a question of what markets comprise that concentration, but just how big the business is in New York, which is also headquarters of 28 of Advertising Age's top 100 media companies. New York claimed 35% of the Ad Age 500's U.S. billings. New York totals of $19.44 billion in billings were from 209 shops. The agencies in that city accounted for 91.4% of total non-U.S. billings reported by U.S. agencies.

A parent agency's billings were broken out by cities in this issue to arrive at an accurate estimation of billings' concentration per market. Most of the carving, of course, was done on New York-based agencies. New York is even more dominant than the numbers show because many central offices pull media strings for certain clients serviced elsewhere.

Chicago remained the Second City with $4.26 billion in U.S. billings from 67 shops and accounted for most of the remaining 8.6% in non-U.S. billings not claimed by New York. Los Angeles came in third with $2.20 billion from 53 shops; followed by No. 4 Detroit, $1.75 billion from 20 shops; No. 5 Dallas, $893.3 million from 18 shops; No. 6 Minneapolis, $866.5 million from 23 shops; No. 7 San Francisco, $862.9 million from 31 shops; No. 8 Boston, $834.2 million from 27 shops; No. 9 Philadelphia, $603.9 million from 32 shops, and No. 10 Cleveland, $537.2 million from 17 shops. *(See city chart on Page 75 for the top 25 ad markets.)*

New York helped give the East 60% of total advertising reported by the Ad Age 500. The Midwest trailed with 24%, followed by 10% for the West Coast and 6% from the South. *(See map on Page 109 for regional divisions.)*

Power & trends among 500

As an index, the Ad Age 500 dominates total advertising placed by agencies in the U.S.

Total ad spending in 1985 estimated at $95.84 billion was broken down into $53.83 billion national advertising and $42.01 billion local advertising, estimates McCann's Mr. Coen. The 500's total ad billings of $41.4 billion, which is virtually all national advertising, accounts for 43% of the total, but in reality it amounts to a lot more because about $36 billion of those local ad dollars are not placed by agencies. This amount is attributed to local newspa-

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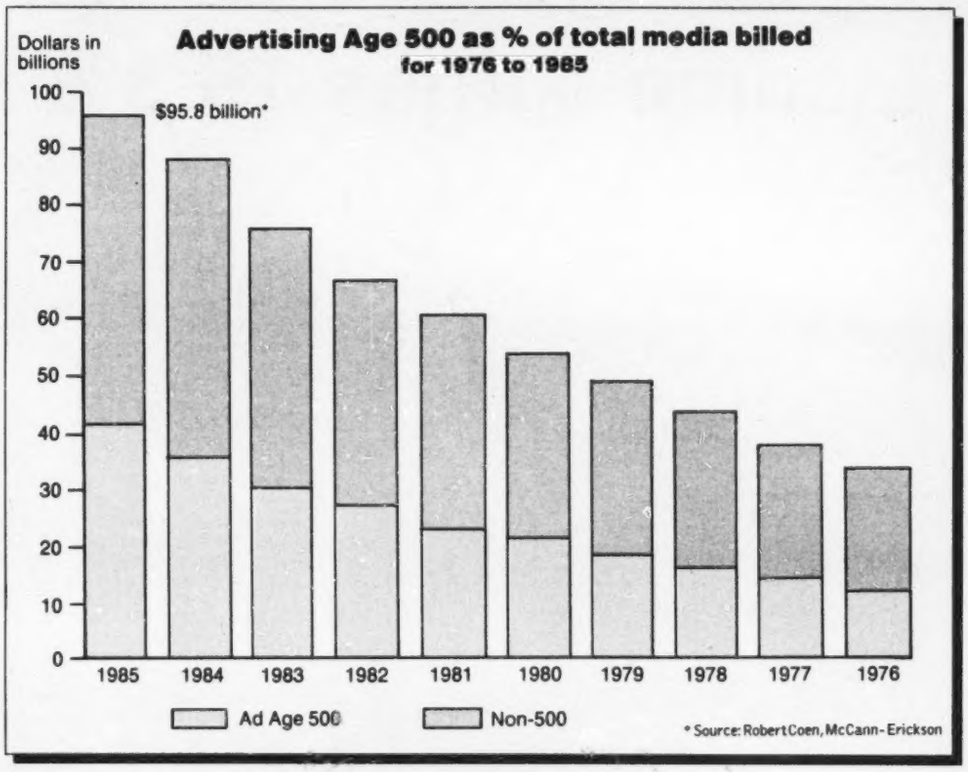
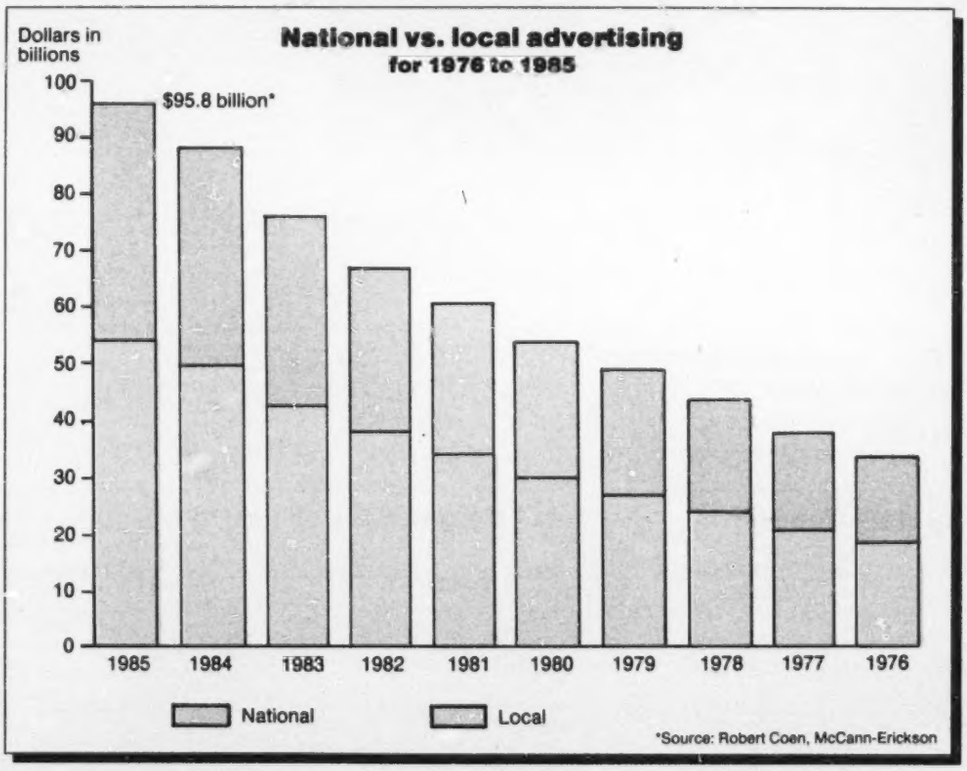




Three finalists vie for Ad Age

The editors and staff of Advertising Age have selected three finalists for 1985 Agency of the Year.

They are Foote, Cone & Belding, Chicago; Hill Holliday Connors Cosmopulos, Boston, and Levine, Huntley, Schmidt & Beaver, New York.

The winner will be announced April 22 at Advertising Age's Best Advertising Awards dinner at the Hyatt Regency Chicago hotel. At the dinner, a benefit for the Museum of Broadcast Communications, awards also will be announced for Best Television Commercials, Best Commercial Music, Best Director and Best Presenter.

Ad Age's annual selection of Agency of the Year is based on evaluation, by a committee of the publication's editors, of the creative product of the nominated agencies.

The creative product, rather than business success or accounts gained, is given primary attention to allow consideration of agencies of all sizes and types for the annual award.

The creative product can include copy, creative strategies, merchandising, media planning, research and related factors. An agency's growth and financial success is considered only to the extent that they reflect creative ex-

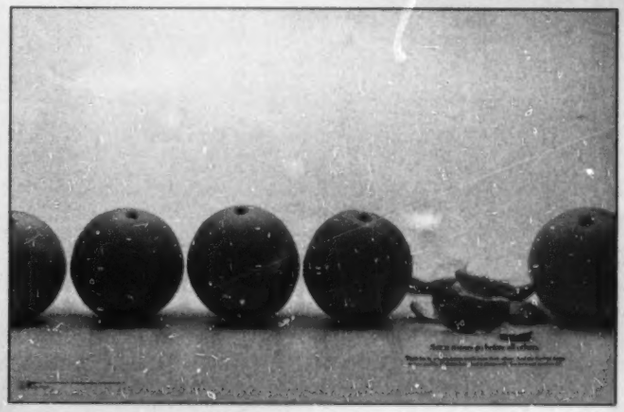
Levi's ads in both print and tv avoid the formula approach, using kicky, trendy formats to reach the younger audiences.

FCB Chicago breaks

Foote, Cone & Belding, Chicago, was nominated for a variety of creative advertising, including the much-talked-about spots for Coors beer featuring actor Mark Harmon. The "serial" concept has Mr. Harmon talking about various aspects of the Coors quality story. The spots break away from the usual "jocks in a bar" beer stereotype.

The second most popular FCB campaign among Ad Age staffers was Levi's 501 jeans tv spots, suggestive of music videos, featuring music with a strong beat and young men and women in city scenes. A similar type of commercial was used by FCB to introduce Coors in Canada—cool music and young adults.

The agency did not abandon the tug-at-the-heartstrings school, however,



Sunkist is the choice, suggests this eye-catching color spread for Sunkist Growers Inc. Its quality theme: "You have our word on it."

HHCC creates right answers

Hill, Holliday, Connors, Cosmopulos, Boston, has been winning its share of creative awards, and its latest series for new client John Hancock Mutual Life Insurance Co. is in line for more. The "Real life, real answers" campaign, which broke in late December and got maximum exposure on postseason football telecasts, features compelling vignettes of people in various stages of life with varying financial needs.

The campaign carries over into print, providing more information on the people featured in the tv spots.

Other creative efforts that drew attention from the Ad Age staff included the agency's trendy efforts for Jordan Marsh stores, the big-production Wang spots, Lotus software tv with a "You Made Me Love You" theme and innovative, lighthearted comparison ads for Ford dealer groups.

The Wang "Power & Glory" spot, set in an English cathedral, won a first-place award for HHCC in the Hatch awards competition of the Advertising Club of Greater Boston. It was one of 23 Hatch awards the agency won last year.

Agency president Jack Connors Jr. says the 18-year-old agency has blossomed into a full-service communications company, adding marketing research, pr, design and direct marketing to the creative attack. And in 18 months the agency's operation in New York has built a $26 million shop there, led by Malcolm MacDougall, formerly president of SSC&B:Lintas.

The agency last year also signed a merger agreement with Aspect Advertising in London and started a joint venture with an agency in Sydney.

People at various stages of their careers are highlighted in the agency's first tv campaign for John Hancock insurance services.

Stylish couple is featured in the continuing "This is the place" bouncy tv campaign for Boston's Jordan Marsh department store.

For the Ritz-Carlton, one of a number of the agency's Boston clients, print ads mix elegance with cool jazz and a hot fire in The Bar.

An organist trying out for a job in a vast cathedral is central in this Wang computer spot, which stresses the importance of people.

To break into the frozen bagel market, Sara Lee and the agency used tv spots of men and women getting positively sensuous over devouring a Bagel Time bagel.

Agency of the Year Award

cellence.

Nominations for Agency of the Year are submitted by staff members in all Ad Age bureaus. Staff nominations result from the monitoring of the advertising agency business throughout the year in the course of covering the news.

While primary emphasis is placed on nominations from staff members, careful consideration is given to candidacies advanced by the agencies themselves.

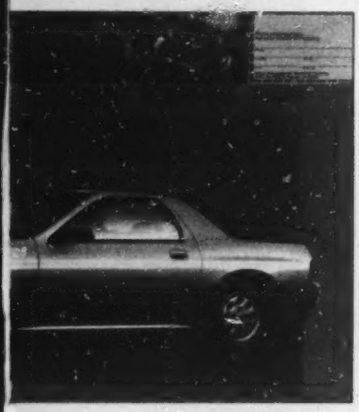
On these pages are brief summaries and portfolios of the three finalists, appearing in alphabetical order.

Past winners

Previous winners of the Advertising Age Agency of the Year award:

1984—BBDO Inc.
1983—Fallon McElligott Rice
1982—Ogilvy & Mather
1981—Ally & Gargano
1980—Chiat/Day
1979—Henderson Advertising
1978—N W Ayer, Young & Rubicam
1977—Needham Harper Worldwide
1976—DKG Advertising
1975—Leo Burnett Co.
1974—Scali-McCabe, Sloves

out the brainpower



FCB mixes an elegant depiction of the car with boxes showing technical details to introduce the 1986 Madza RX-7 in this color spread. Headline suggests the price is right, too.

with emotional spots for Kleenex and Pacific Bell reminiscent of FCB's much-lauded work for former client Hallmark Cards.

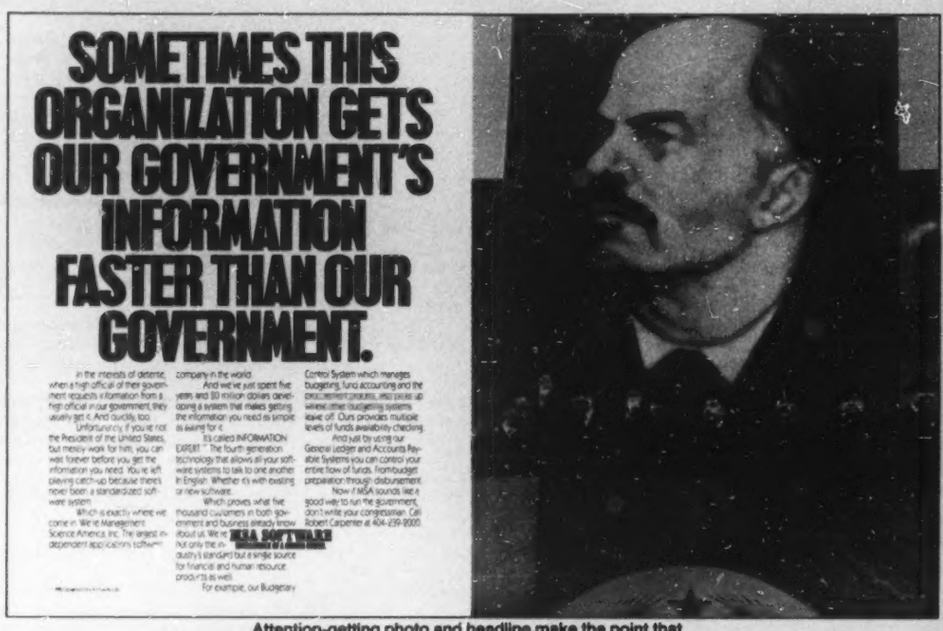
Other notable ads: Mazda using actor Jim Garner, Celestial Seasonings with Mariette Hartley for herbal teas, Long John Silver's ("Sounds good to me") and well-photographed food work for Denny's, California Raisin Board and Sara Lee's new Bagel Time bagels.

The work comes in the fifth year of Norman Brown's regime as chief executive officer of the agency. He has pushed the idea that agency management's job is to bring together the agency's "right-brain" (emotional, intuitive) and "left-brain" (analytical, reasoned) talents.

The very visible John O'Toole retired as chairman at the end of 1985, and Mr. Brown shuffled his management team, naming Abbott Jones as president-chief operating officer. Later this year the agency will move its Chicago headquarters into its own new building on the city's near north side.

"Serial" tv spots for Coors feature popular actor Mark Harmon telling the beer's quality story. Here, he's near the company's Golden, Colo., plant.

Hill Holliday created this uptempo color spread for Lotus Development Corp.'s Jazz software for the Macintosh computer.



Attention-getting photo and headline make the point that MSA software systems can get information fast.

LHSB dependably humorous

Many of the campaigns that attracted Ad Age editors to Levine, Huntley, Schmidt & Beaver were variations on themes that were big award winners in 1984. The new executions haven't lost their winning form, AA's staffers believed.

Subaru tv includes humorous testimonials (top frame), and one highlighting durability that survives its users' rough treatment.

The campaign for Subaru in 1984 kept its "Inexpensive. And built to stay that way" dependability theme while stressing styling and appointments. In 1985 the campaign tilted back toward dependability, but with a humorous air and the underlying notion that "Americans love their cars, but hate to take care of them."

Examples of the campaign for Subaru: A driver backing out of his driveway and blissfully wiping out his and his neighbors garbage cans, a vacationer overstuffing the trunk and a bickering couple slamming car doors to punctuate their argument.

Among other LHSB ads that drew plaudits:

- The continuing radio campaign for Kronenbourg beer in which actor John Cleese carries on a running battle with "the No. 1 advertising disaster"—the beer's slogan, "Better, not bitter."
- The campaign for New York Air, which competes with Eastern Airlines for the New York to Washington shuttle business. One tv spot features a contortionist claiming the competition gives him plenty of seat room while he wraps his legs around the back of his neck.

When Grey Advertising acquired majority interest in the agency last July, Grey chairman Edward Meyer, paying tribute to Levine, Huntley's creativity, stated: "This sends a message to our world that this is where our money should go, that our heroes are creative people and those who do outstanding advertising."

New York Air's campaign goes head-to-head with Eastern for the lucrative Washington-N.Y. shuttle business.

Yoko Ono is among the leading lights who have appeared in this long-running image-changing print series for McCall's.

On tv, the agency touts New York Air's roominess by showing a contortionist who claims there is plenty of leg room on the competitor's aircraft.